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C O N F I D E N T I A L SECTION 01 OF 02 VIENNA 001551

SIPDIS

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SUBJECT: AUSTRIAN MINISTER WELCOMES USG SHIFTS ON CLIMATE

BUT HOPES FOR MORE AT COPENHAGEN

REF: A. STATE 120800 •B. VIENNA 1347

1C. VIENNA 1264 AND PREVIOUS

Classified By: Ambassador William C. Eacho III. Reason: 1.4(b).

- 11. (C) SUMMARY: Ambassador reinforced USG climate positions with Austrian Environment Minister Berlakovich in advance of Copenhagen. While agreeing that Europe and U.S. need to present a positive, united front and keep pressure on developing countries, he expressed hope for a significantly higher USG offer. We are continuing to try to manage his and other Austrians, expectations and recommend that Washington,s pre-Copenhagen public diplomacy factor in possible misplaced hopes to help ensure positive headlines from the summit. END SUMMARY.
- $\underline{\P}2$. (SBU) On December 2, Ambassador Eacho met with GoA Environment/Agriculture Minister Nikolaus Berlakovich to reinforce the USG position going into Copenhagen. The Ambassador expressed USG support for the Danish "fast start" approach and our commitment to reaching a global agreement -with meaningful, transparent, and credible commitments from all major emitters. The Ambassador emphasized the need to help keep congressional passage of U.S. climate legislation on track: the Copenhagen process can help, to the extent that major emerging economies show their willingness to take part meaningfully. U.S. legislators will be understandably reluctant to embrace climate measures which drive another large cost wedge between U.S. producers and those based in fast-growing economies elsewhere in the world. Europe and the U.S. need to present a united front and keep pressure on developing countries so that the summit creates positive headlines and generates momentum for environmental protection.
- ¶3. (SBU) Berlakovich expressed understanding for U.S. political considerations, but asked for the same consideration for Europe's elected officials: "we're under pressure as well" from European business and labor stemming from the EU's unilateral commitment to a 20% emissions cut by ¶2020. The EU shares U.S. concerns about potential inaction in countries like China ("a 40% carbon intensity target is not enough") and India. To the extent that European audiences see the USG acting, they will give EU member states more support for European leadership on mitigation and financing. Berlakovich opined that "the current U.S. offer is not enough, frankly" especially when measured against a 1990 baseline, and wondered whether President Obama's participation December 9 might occasion a sweetened US offer.
- 14. (SBU) The Ambassador questioned self-interested European adherence to its favored base year (1990) and suggested that the current U.S. mitigation offer tabled by the White House ("in the range of 17% below 2005 levels in 2020") likely represents the outer negotiating limit based on legislation currently under consideration in Congress. The U.S. offer is comparable to the European offer, and after 2020 our economies end up at very similar points. European admonitions that the U.S. "do more" than itis currently offering could put a global agreement even farther out of

reach; instead, we need to work together to convince large developing countries to make credible mitigation offers. Equally counterproductive are strident demands by developing countries for the industrial world to pay the global tab for climate policy: "fantasy" aid numbers like \$100 billion per year are sure to turn off voters and legislators in the U.S. (not to mention in Europe, Berlakovich replied).

- 15. (SBU) Berlakovich acknowledged USG concerns, and agreed on the need for Europe and the U.S. to be seen as working together rather than at cross-purposes in order for Copenhagen to be perceived as a success. He reiterated that he sees the U.S. as a key partner on climate issues and that the EU recognizes and welcomes the dramatic shift on climate/energy issues represented by the current U.S. administration.
- 16. (SBU) In our recent outreach to Austrian negotiators, party officials, and NGOs we have repeatedly heard hopeful expectations that the USG may be "saving the best for last" in the form of an upgraded offer at Copenhagen. Post has sought to manage expectations appropriately and focus attention on the more important task of bringing major emerging economies on board.

COMMENT

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17. (C) Berlakovich faces pressure not only from overly high domestic expectations for Copenhagen but also because Austria is itself far behind in meeting Kyoto targets and catching up will be difficult and expensive. That is partly because

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Austria started the 1990s with much clean energy and had less scope for further emissions reductions compared to others in Europe. We are not sure we completely defused his misplaced hopes for a big U.S. announcement at Copenhagen, which reflect popular sentiments here and we surmise elsewhere in Europe. While this post and our EUR counterparts are no doubt doing much to help manage undue expectations going into Copenhagen, we recommend that Washington public diplomacy efforts take this factor into account. We see a danger that likely progress in Copenhagen will be overshadowed by negative accounts of U.S.-European discord and failure to advance far enough. It will be important to explain how the glass is more than half full.

END COMMENT. EACHO